



## Jeka Fish A/S

Havnen 70  
7620 Lemvig  
CVR No. 76129010

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 07.07.2023

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**Halldór Arnarson**

Chairman of the General Meeting

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# Entity details

## Entity

Jeka Fish A/S

Havnen 70

7620 Lemvig

Business Registration No.: 76129010

Registered office: Lemvig

Financial year: 01.01.2022 - 31.12.2022

Phone number: +45 97811700

Fax: +45 97811701

## Board of Directors

Dennis Kim Willer, chairman

René Eghammer

Halldór Arnarson

## Executive Board

Halldór Arnarson

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Jeka Fish A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Lemvig, 07.07.2023

## Executive Board

**Halldór Arnarson**

## Board of Directors

**Dennis Kim Willer**  
chairman

**René Eghammer**

**Halldór Arnarson**

# Independent auditor's report

## To the shareholders of Jeka Fish A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Jeka Fish A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 07.07.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Claus Jorch Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne33712

# Management commentary

## Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	47,943	78,187	59,439	57,027	45,482
Operating profit/loss	(3,456)	28,247	15,261	12,968	1,531
Net financials	(6,206)	(7,227)	(5,026)	(5,592)	(5,497)
Profit/loss for the year	(7,589)	14,648	7,919	5,483	(3,046)
Profit for the year excl. minority interests	(7,589)	15,459	7,955	5,483	(3,046)
Balance sheet total	158,319	118,025	113,420	115,042	116,513
Investments in property, plant and equipment	5,276	23,596	5,645	4,098	1,927
Equity	9,671	18,503	19,290	13,135	7,652
Equity excl. minority interests	9,671	18,422	20,648	13,125	7,652
<b>Ratios</b>					
Return on equity (%)	(54.03)	79.13	47.11	52.78	(33.20)
Equity ratio (%)	6.11	15.61	18.20	11.41	6.57

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Jeka Fish A/S have merged with its parent company Jeka Fish Holding ApS with effect from 1. January 2021. According to the accounting principles the merger has incorporated in the figures with effect from 1. January without adjusting the figures from prior years.

For the annual report of 2021 a consolidated financial statements has been prepared. There has been no adjustment to the figures from 2019 and back and therefore these figures only consists of the parent company Jeka Fish A/S.

### Return on equity (%):

$\frac{\text{Profit/loss for the year excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$

### Equity ratio (%):

$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$



### Primary activities

The Company's activity is to purchase, process and resell whitefish and shellfish. Production takes place at the Company's processing plant in Lemvig.

### Development in activities and finances

Operations was under pressure during 2022 due to challenging market conditions caused by significantly increased raw-material prices and the energy crisis. As a result of this Jeka Fish experienced a drop in the underlying consumer demand. Even though the sales prices were step wise increased throughout the year, it was not enough to deliver a positive bottom-line result for 2022.

The 2022 result was impacted negatively by an unfortunate listeria outbreak in the company's fish cake production in November 2022. Jeka Fish worked closely with the food and health authorities in order to contain the outbreak and have implemented a number of additional safety precautions in the production environment.

The fish cake production came back at full production capability in January 2023. Jeka Fish estimates that the listeria outbreak have impacted the 2022 result before tax with just under -3,000 t.kr. from direct costs relating to the outbreak and missed turnover from the period when the production was shut down.

Despite the outbreak Jeka Fish experienced significant growth in the fish cake activity in 2022 and expects additional growth in 2023.

2022 has furthermore been a year with focus on maintaining and developing the existing product portfolio, efficiency improvements and reduction of costs.

The Group income statement for 2022 show a loss after tax of 7,588 t.kr. against a profit of 14,648 t.kr. in previous year. The result is not satisfactory.

The Group balance at 31st December has increased to 158,319 t.kr. against 118,025 t.kr. last year.

The Group equity at 31st December amounts to 9,671 t.kr. against 18,503 t.kr. last year. Furthermore, shareholder loans amounts to 23,083 t.kr.

### Profit/loss for the year in relation to expected developments

The income statement for 2022 of the parent company show a loss after tax of 8,484 t.kr. against a profit of 18,490 t.kr. in previous year.

The equity at 31st December of the parent company amounts to 10,486 t.kr. against 20,047 t.kr. last year.

When budget were made, the Company expected at positive result after tax for 2022 based on available information. The deviation between budget and result were caused by multiple factors described in the section above.

### Outlook

At the time when the financial statements for 2022 is approved by the board and filed to the authorities the market conditions are still challenging for the same reasons as mentioned above. It is further complicated by the war in Ukraine as Russia holds a significant share of the world quota for cod causing further uncertainty about raw-material prices and availability.

This makes predicting an outlook for 2023 very difficult and uncertain. Despite the current market conditions and based on the current available information the Company expects a positive result after tax for 2023 between 1,0 to 5,0 mio. DKK.

## Use of financial instruments

### Price risks

Cod accounts for over 80% of the Company's commodity base. The Company purchases commodities in a global commodity market subject to global competition. The activities of the Company may therefore be affected positively or negatively by the purchase of commodities as well as by the development in the commodity prices.

### Liquidity risks

Jeka Fish has made an agreement on the operating finance for the calendar year 2023 with the Company's bank.

### Currency risks

The Company's foreign currency transactions primarily related to purchase in USD, and sales in EUR and GBP. The Company hedges its currency risks on a current basis through forward exchange contracts.

### Interest rate risks

It is the Company policy to hedge interest rate risks by concluding interest agreements.

## Environmental performance

The Company's factory is subject to section 33 of the Danish Environmental Protection Act. The municipality of Lemvig is the regulatory authority. The Company holds level 1 rating based on the criteria that its compliance with laws is exemplary and that it uses medium resources within systematics and information. The Company buys its cod from longline fishing and therefore a sustainable fishing, Jeka Fish also used MSC fish and shellfish which also stands for sustainable fishing.

## Research and development activities

The Company is continuously working on developing its own products, including flavors etc.

## Events after the balance sheet date

Even though the Company is operating under complicated and uncertain market conditions affected by high inflation rates, the energy crisis and the tragic war in Ukraine, the Company will aim to adjust its activity level and cost structure to the market conditions as best as possible.

The shareholders of Jeka Fish have provided additional loan capital of 5,500 t.kr. to the Company in March 2023.

Jeka Fish has acquired the activities in Boco Seafood A/S and brand name, a company specializing in salted cod products, with effect from 1st July 2023. The Acquisition of Boco will strengthen the Company's competitive situation in the salted cod business and the Company expect a positive effect on results from the acquisition in the future.

No other events have occurred after the balance sheet date to this date, which could significantly affect the evaluation of the financial position of the Group and the Parent Company.

# Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>47,942,660</b>	<b>78,187,174</b>
Staff costs	1	(45,183,300)	(43,559,703)
Depreciation, amortisation and impairment losses		(6,176,481)	(6,380,082)
Other operating expenses		(38,413)	0
<b>Operating profit/loss</b>		<b>(3,455,534)</b>	<b>28,247,389</b>
Other financial income		0	806,417
Financial expenses from group enterprises		(622,078)	(5,387,329)
Other financial expenses		(5,583,453)	(2,646,175)
<b>Profit/loss before tax</b>		<b>(9,661,065)</b>	<b>21,020,302</b>
Tax on profit/loss for the year	2	2,072,353	(6,372,037)
<b>Profit/loss for the year</b>	3	<b>(7,588,712)</b>	<b>14,648,265</b>

# Consolidated balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		0	18,185
<b>Intangible assets</b>	4	<b>0</b>	<b>18,185</b>
Land and buildings		30,428,239	29,351,148
Plant and machinery		37,410,685	39,795,301
Other fixtures and fittings, tools and equipment		770,829	886,587
<b>Property, plant and equipment</b>	5	<b>68,609,753</b>	<b>70,033,036</b>
Deposits		1,600,000	0
<b>Financial assets</b>	6	<b>1,600,000</b>	<b>0</b>
<b>Fixed assets</b>		<b>70,209,753</b>	<b>70,051,221</b>
Raw materials and consumables		33,461,823	18,109,359
Work in progress		14,581,733	5,110,272
Manufactured goods and goods for resale		11,838,181	362,469
<b>Inventories</b>		<b>59,881,737</b>	<b>23,582,100</b>
Trade receivables		22,945,177	22,288,410
Deferred tax	7	679,000	0
Other receivables		3,201,975	1,120,876
Joint taxation contribution receivable		0	2,979
Prepayments	8	1,401,683	976,992
<b>Receivables</b>		<b>28,227,835</b>	<b>24,389,257</b>
<b>Cash</b>		<b>97</b>	<b>2,001</b>
<b>Current assets</b>		<b>88,109,669</b>	<b>47,973,358</b>
<b>Assets</b>		<b>158,319,422</b>	<b>118,024,579</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		3,500,000	3,500,000
Reserve for fair value adjustments of hedging instruments		(614,340)	463,086
Retained earnings		6,785,130	14,458,502
<b>Equity belonging to Parent's shareholders</b>		<b>9,670,790</b>	<b>18,421,588</b>
<b>Equity belonging to minority interests</b>		<b>0</b>	<b>81,340</b>
<b>Equity</b>		<b>9,670,790</b>	<b>18,502,928</b>
Deferred tax	7	0	3,554,000
Other provisions	9	0	10,000
<b>Provisions</b>		<b>0</b>	<b>3,564,000</b>
Mortgage debt		1,235,265	1,966,846
Bank loans		10,586,240	11,951,240
Lease liabilities		9,237,838	3,924,181
Payables to group enterprises		15,652,531	13,957,105
Payables to owners and management		7,430,125	7,466,477
Other payables		3,743,933	3,668,545
Deferred income		2,661,367	3,229,073
<b>Non-current liabilities other than provisions</b>	11	<b>50,547,299</b>	<b>46,163,467</b>
Current portion of non-current liabilities other than provisions	11	4,422,153	3,107,227
Bank loans		56,770,777	18,587,102
Trade payables		19,321,306	10,673,669
Other payables		17,587,097	17,426,186
<b>Current liabilities other than provisions</b>		<b>98,101,333</b>	<b>49,794,184</b>
<b>Liabilities other than provisions</b>		<b>148,648,632</b>	<b>95,957,651</b>
<b>Equity and liabilities</b>		<b>158,319,422</b>	<b>118,024,579</b>

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# Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK
Equity beginning of year	3,500,000	463,086	14,458,502	18,421,588	81,340
Effect of divestments of entities etc.	0	0	(84,660)	(84,660)	(81,340)
Fair value adjustments of hedging instruments	0	(1,381,316)	0	(1,381,316)	0
Tax of entries on equity	0	303,890	0	303,890	0
Profit/loss for the year	0	0	(7,588,712)	(7,588,712)	0
<b>Equity end of year</b>	<b>3,500,000</b>	<b>(614,340)</b>	<b>6,785,130</b>	<b>9,670,790</b>	<b>0</b>

	Total DKK
Equity beginning of year	18,502,928
Effect of divestments of entities etc.	(166,000)
Fair value adjustments of hedging instruments	(1,381,316)
Tax of entries on equity	303,890
Profit/loss for the year	(7,588,712)
<b>Equity end of year</b>	<b>9,670,790</b>

# Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		(3,455,534)	28,247,389
Amortisation, depreciation and impairment losses		6,176,481	6,380,082
Working capital changes	12	(30,199,080)	25,121,551
<b>Cash flow from ordinary operating activities</b>		<b>(27,478,133)</b>	<b>59,749,022</b>
Financial income received		0	806,417
Financial expenses paid		(6,205,531)	(8,033,504)
Taxes refunded/(paid)		(2,157,668)	58,136
<b>Cash flows from operating activities</b>		<b>(35,841,332)</b>	<b>52,580,071</b>
Acquisition etc. of property, plant and equipment		(5,276,251)	(12,672,588)
Sale of property, plant and equipment		0	424,969
Acquisition of fixed asset investments		(1,600,000)	0
Sale of fixed asset investments		0	6,573
<b>Cash flows from investing activities</b>		<b>(6,876,251)</b>	<b>(12,241,046)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(42,717,583)</b>	<b>40,339,025</b>
Loans raised		8,054,000	17,295,700
Repayments of loans etc.		(3,521,996)	(30,947,489)
Acquisition company		0	(26,685,235)
Chance bankloans		38,183,675	0
<b>Cash flows from financing activities</b>		<b>42,715,679</b>	<b>(40,337,024)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(1,904)</b>	<b>2,001</b>
Cash and cash equivalents beginning of year		2,001	0
<b>Cash and cash equivalents end of year</b>		<b>97</b>	<b>2,001</b>
Cash and cash equivalents at year-end are composed of:			
Cash		97	2,001
<b>Cash and cash equivalents end of year</b>		<b>97</b>	<b>2,001</b>



# Notes to consolidated financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	39,693,142	38,191,416
Pension costs	3,293,921	3,221,068
Other social security costs	1,289,888	1,263,940
Other staff costs	906,349	883,279
	<b>45,183,300</b>	<b>43,559,703</b>
Average number of full-time employees	100	100

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Total amount for management categories	1,906,588	1,839,699
	<b>1,906,588</b>	<b>1,839,699</b>

## 2 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	(3,929,110)	6,375,016
Adjustment concerning previous years	1,856,757	0
Refund in joint taxation arrangement	0	(2,979)
	<b>(2,072,353)</b>	<b>6,372,037</b>

## 3 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Retained earnings	(7,588,712)	15,458,783
Minority interests' share of profit/loss	0	(810,518)
	<b>(7,588,712)</b>	<b>14,648,265</b>

#### 4 Intangible assets

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	50,000
Disposals on divestments etc.	(50,000)
<b>Cost end of year</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(31,815)
Disposals on divestments etc	31,815
<b>Amortisation and impairment losses end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>

#### 5 Property, plant and equipment

	<b>Land and buildings DKK</b>	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	45,821,824	96,652,444	1,825,147
Disposals on divestments etc.	0	(2,452,100)	0
Additions	1,764,412	3,274,836	237,003
Disposals	0	(38,412)	0
<b>Cost end of year</b>	<b>47,586,236</b>	<b>97,436,768</b>	<b>2,062,150</b>
Depreciation and impairment losses beginning of year	(16,470,676)	(56,857,143)	(938,560)
Disposals on divestments etc	0	1,967,459	0
Depreciation for the year	(687,321)	(5,136,399)	(352,761)
<b>Depreciation and impairment losses end of year</b>	<b>(17,157,997)</b>	<b>(60,026,083)</b>	<b>(1,291,321)</b>
<b>Carrying amount end of year</b>	<b>30,428,239</b>	<b>37,410,685</b>	<b>770,829</b>
Recognised assets not owned by Entity	0	12,973,287	0

#### 6 Financial assets

	<b>Deposits DKK</b>
Additions	1,600,000
<b>Cost end of year</b>	<b>1,600,000</b>
<b>Carrying amount end of year</b>	<b>1,600,000</b>

## 7 Deferred tax

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	409,000	409,000
Property, plant and equipment	(5,223,000)	(6,687,000)
Receivables	0	626,000
Tax losses carried forward	5,493,000	2,098,000
<b>Deferred tax</b>	<b>679,000</b>	<b>(3,554,000)</b>

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	(3,554,000)	(8,000)
Recognised in the income statement	3,929,110	(6,375,016)
Recognised directly in equity	303,890	(130,614)
Merge Jeka Fish Holding		1,295,630
Merge Jeka Fish Holding related to Nordisk Krabbe Kompagni		1,664,000
<b>End of year</b>	<b>679,000</b>	<b>(3,554,000)</b>

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
<b>Deferred tax has been recognised in the balance sheet as follows</b>		
Deferred tax assets	679,000	0
Deferred tax liabilities	0	(3,554,000)
	<b>679,000</b>	<b>(3,554,000)</b>

### Deferred tax assets

The group's tax asset consist of tax losses carried forward, which is expected to be used within a 3-5 year period due to the expected development of the group.

## 8 Prepayments

Prepayments consists of prepaid interest, insurance and other expenses.

## 9 Other provisions

Other provisions consists of the reestablishment of the oyster area.

## 10 Deferred income

The company have received subsidies from Danish and EU Authorities. These subsidies and projects is an important part of the company and will be part of the company's balance sheet until depreciated in full.

### 11 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	720,000	698,600	1,235,265	0
Bank loans	1,365,000	1,365,840	10,586,240	5,122,039
Lease liabilities	2,010,000	655,000	9,237,838	0
Payables to group enterprises	0	0	15,652,531	0
Payables to owners and management	0	0	7,430,125	0
Other payables	0	0	3,743,933	3,284,983
Deferred income	327,153	387,787	2,661,367	1,185,802
	<b>4,422,153</b>	<b>3,107,227</b>	<b>50,547,299</b>	<b>9,592,824</b>

### 12 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(35,934,401)	(540,770)
Increase/decrease in receivables	(4,239,983)	10,165,090
Increase/decrease in trade payables etc.	9,975,304	15,497,231
	<b>(30,199,080)</b>	<b>25,121,551</b>

### 13 Derivative financial instruments

Other payables contains fair value on forward exchange contracts with a carrying amount of DKK 1.400k. The company has signed forward exchange contracts to partially cover the exchange risk of trade payables in USD by USD 5,000k. (DKK 34,861k) and in NOK by NOK 475k. (DKK 336k). The forward exchange contracts are due within 1-3 months. All forward exchange contracts are conducted with the company's bank.

### 14 Fair value information

	Hedging instruments DKK
Fair value end of year	(2,188,616)
Unrealised fair value adjustments recognised in the income statement	(1,401,000)
Unrealised fair value adjustments recognised in the fair value reserve in equity	(787,616)

**15 Unrecognised rental and lease commitments**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	1,422,242	2,658,900

**16 Contingent liabilities**

	<b>2021</b>
	<b>DKK</b>
Recourse and non-recourse guarantee commitments	140,000
<b>Contingent liabilities</b>	<b>140,000</b>

**17 Assets charged and collateral**

Debt to Realkredit Danmark A/S is secured by buildings with a carrying amount of DKK 23,995k at December 31, 2022.

Debt to Nykredit is secured by buildings (maximum DKK 17,100k) with a carrying amount of DKK 23,995 k at December 31, 2022.

Debt to Nykredit is secured by way of general floating charges of DKK 15,000k corresponding to an asset value of DKK 82,827k at December 31, 2022.

Debt to Nykredit is secured by way of general floating charges of DKK 53,000k corresponding to an asset value of DKK 107,173k at December 31, 2022.

Debt to Nykredit is secured by way of general floating charges of DKK 5,000k corresponding to an asset value of DKK 1,625k at December 31, 2022.

**18 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

**19 Subsidiaries**

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
Nordisk Krabbe Kompagni	Lemvig	A/S	100.00	2,374,727	895,008

# Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>46,113,474</b>	<b>77,098,662</b>
Staff costs	1	(45,205,201)	(44,022,535)
Depreciation, amortisation and impairment losses		(5,594,857)	(4,893,838)
Other operating expenses		(38,413)	0
<b>Operating profit/loss</b>		<b>(4,724,997)</b>	<b>28,182,289</b>
Other financial income	2	89,257	921,893
Financial expenses from group enterprises		(622,079)	(2,386,269)
Other financial expenses		(5,552,453)	(2,562,005)
<b>Profit/loss before tax</b>		<b>(10,810,272)</b>	<b>24,155,908</b>
Tax on profit/loss for the year	3	2,326,552	(5,666,016)
<b>Profit/loss for the year</b>	4	<b>(8,483,720)</b>	<b>18,489,892</b>

# Parent balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Land and buildings		23,994,901	22,598,124
Plant and machinery		35,785,528	37,406,601
Other fixtures and fittings, tools and equipment		770,829	886,587
Leasehold improvements		805,602	822,566
<b>Property, plant and equipment</b>	5	<b>61,356,860</b>	<b>61,713,878</b>
Investments in group enterprises		3,190,000	3,190,000
Deposits		1,600,000	0
<b>Financial assets</b>	6	<b>4,790,000</b>	<b>3,190,000</b>
<b>Fixed assets</b>		<b>66,146,860</b>	<b>64,903,878</b>
Raw materials and consumables		33,461,823	18,109,359
Work in progress		14,581,733	5,083,005
Manufactured goods and goods for resale		11,838,181	362,469
<b>Inventories</b>		<b>59,881,737</b>	<b>23,554,833</b>
Trade receivables		22,945,177	22,288,410
Receivables from group enterprises	7	4,435,428	7,203,408
Other receivables		3,201,975	1,115,055
Prepayments	8	1,401,683	976,992
<b>Receivables</b>		<b>31,984,263</b>	<b>31,583,865</b>
<b>Cash</b>		<b>97</b>	<b>843</b>
<b>Current assets</b>		<b>91,866,097</b>	<b>55,139,541</b>
<b>Assets</b>		<b>158,012,957</b>	<b>120,043,419</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		3,500,000	3,500,000
Reserve for fair value adjustments and hedging instruments		(614,340)	463,086
Retained earnings		7,600,403	16,084,123
<b>Equity</b>		<b>10,486,063</b>	<b>20,047,209</b>
Deferred tax	9	563,000	4,989,000
<b>Provisions</b>		<b>563,000</b>	<b>4,989,000</b>
Mortgage debt		1,235,265	1,966,846
Bank loans		10,586,240	11,951,240
Lease liabilities		9,237,838	3,924,181
Payables to group enterprises		15,652,532	13,957,105
Payables to owners and management		7,430,125	7,466,477
Other payables		3,743,933	3,668,545
Deferred income	10	2,352,113	2,597,902
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>50,238,046</b>	<b>45,532,296</b>
Current portion of non-current liabilities other than provisions	11	4,340,789	2,965,229
Bank loans		55,771,007	18,587,102
Trade payables		19,256,309	10,623,169
Other payables		17,357,743	17,299,414
<b>Current liabilities other than provisions</b>		<b>96,725,848</b>	<b>49,474,914</b>
<b>Liabilities other than provisions</b>		<b>146,963,894</b>	<b>95,007,210</b>
<b>Equity and liabilities</b>		<b>158,012,957</b>	<b>120,043,419</b>
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# Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	3,500,000	463,086	16,084,123	20,047,209
Fair value adjustments of hedging instruments	0	(1,381,316)	0	(1,381,316)
Tax of entries on equity	0	303,890	0	303,890
Profit/loss for the year	0	0	(8,483,720)	(8,483,720)
<b>Equity end of year</b>	<b>3,500,000</b>	<b>(614,340)</b>	<b>7,600,403</b>	<b>10,486,063</b>

# Notes to parent financial statements

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	39,715,043	38,654,837
Pension costs	3,293,921	3,221,068
Other social security costs	1,289,888	1,263,351
Other staff costs	906,349	883,279
	<b>45,205,201</b>	<b>44,022,535</b>
Average number of full-time employees	<b>100</b>	<b>99</b>

	Remuneration of Management 2022 DKK	Remuneration of Management 2021 DKK
Total amount for management categories	1,906,588	1,839,699
	<b>1,906,588</b>	<b>1,839,699</b>

## 2 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	89,257	115,476
Exchange rate adjustments	0	802,957
Other financial income	0	3,460
	<b>89,257</b>	<b>921,893</b>

## 3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	(4,122,110)	5,666,016
Adjustment concerning previous years	1,795,558	0
	<b>(2,326,552)</b>	<b>5,666,016</b>

#### 4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(8,483,720)	18,489,892
	<b>(8,483,720)</b>	<b>18,489,892</b>

#### 5 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	37,271,174	90,908,658	1,825,147	918,843
Additions	1,684,197	3,274,836	237,003	80,215
Disposals	0	(38,412)	0	0
<b>Cost end of year</b>	<b>38,955,371</b>	<b>94,145,082</b>	<b>2,062,150</b>	<b>999,058</b>
Depreciation and impairment losses beginning of year	(14,673,050)	(53,502,057)	(938,560)	(96,277)
Depreciation for the year	(287,420)	(4,857,497)	(352,761)	(97,179)
<b>Depreciation and impairment losses end of year</b>	<b>(14,960,470)</b>	<b>(58,359,554)</b>	<b>(1,291,321)</b>	<b>(193,456)</b>
<b>Carrying amount end of year</b>	<b>23,994,901</b>	<b>35,785,528</b>	<b>770,829</b>	<b>805,602</b>
Recognised assets not owned by entity	0	12,973,287	0	0

#### 6 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	7,866,602	0
Additions	0	1,600,000
Disposals	(4,676,602)	0
<b>Cost end of year</b>	<b>3,190,000</b>	<b>1,600,000</b>
Impairment losses beginning of year	(4,676,602)	0
Reversal regarding disposals	4,676,602	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>3,190,000</b>	<b>1,600,000</b>

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

#### 7 Receivables from group enterprises

The primary part of receivables with group enterprise is not expected to be settled within the next 12 months, of which DKK 500k relates to a deposit to Nordisk Krabbe Kompagni A/S.

## 8 Prepayments

Prepayments consists of prepaid interest, insurance and other expenses.

## 9 Deferred tax

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	(409,000)	(409,000)
Property, plant and equipment	5,013,000	6,349,000
Receivables	0	(626,000)
Tax losses carried forward	(4,041,000)	(325,000)
<b>Deferred tax</b>	<b>563,000</b>	<b>4,989,000</b>

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	4,989,000	488,000
Recognised in the income statement	(4,122,110)	5,666,016
Recognised directly in equity	(303,890)	130,614
Merge with Jeka Fish Holding	0	(1,295,630)
<b>End of year</b>	<b>563,000</b>	<b>4,989,000</b>

## 10 Deferred income

The company have received subsidies from Danish and EU Authorities. These subsidies and projects is an important part of the company and will be part of the company's balance sheet until depreciated in full.

## 11 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2022</b>	<b>2021</b>	<b>months</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Mortgage debt	720,000	698,600	1,235,265	0
Bank loans	1,365,000	1,365,840	10,586,240	5,122,039
Lease liabilities	2,010,000	655,000	9,237,838	0
Payables to group enterprises	0	0	15,652,532	0
Payables to owners and management	0	0	7,430,125	0
Other payables	0	0	3,743,933	3,284,983
Deferred income	245,789	245,789	2,352,113	1,123,174
	<b>4,340,789</b>	<b>2,965,229</b>	<b>50,238,046</b>	<b>9,530,196</b>

## 12 Derivative financial instruments

Other payables contains fair value on forward exchange contracts with a carrying amount of DKK 1.400k. The company has signed forward exchange contracts to partially cover the exchange risk of trade payables in USD by USD 5,000k. (DKK 34,861k) and in NOK by NOK 475k. (DKK 336k). The forward exchange contracts are due within 1-3 months. All forward exchange contracts are conducted with the company's bank.

## 13 Fair value information

	<b>Hedging instruments DKK</b>
Fair value end of year	(2,188,616)
Unrealised fair value adjustments recognised in the income statement	(1,401,000)
Unrealised fair value adjustments recognised in the fair value reserve in equity	(787,616)

## 14 Unrecognised rental and lease commitments

	<b>2022 DKK</b>	<b>2021 DKK</b>
Total liabilities under rental or lease agreements until maturity	2,342,242	3,579,100
Of this, liabilities under rental or lease agreements with group enterprises	930,000	930,000

## 15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Jysk Industri Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 16 Assets charged and collateral

Debt to Realkredit Danmark A/S is secured by buildings with a carrying amount of DKK 23,995k at December 31, 2022.

Debt to Nykredit is secured by buildings (maximum DKK 17,100k) with a carrying amount of DKK 23,995k at December 31, 2022.

Debt to Nykredit is secured by way of general floating charges of DKK 15,000k corresponding to an asset value of DKK 82,827k at December 31, 2022.

Debt to Nykredit is secured by way of general floating charges of DKK 53,000k corresponding to an asset value of DKK 107,173k at December 31, 2022.

**Collateral provided for group enterprises**

The Entity has guaranteed the group enterprises' debt with Nykredit Bank. The guarantee is unlimited. Bank loans of group enterprises amount to DKK 1,000k.

**17 Related parties with controlling interest**

Jysk Industri Holding A/S, Bymose Park 6, 3200 Helsingør, Denmark owns all shares in the Entity, thus exercising control.

**18 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### **Business combinations**

The modified uniting-of-interests method is applied to, reverse vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognised at the merger date without restatement of comparative figures.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### **Public grants**

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, costs of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of property, plant and equipment



**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Property costs**

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment, amortisation and impairment losses for the financial year.

**Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including losses from the sale of property, plant and equipment

**Other financial income**

Other financial income comprises interest income, interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet**

**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset’s fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>	<b>Residual value</b>
Buildings	20-35 years	0-52%
Plant and machinery	2-15 years	0-11%
Other fixtures and fittings, tools and equipment	2-5 years	0-12%
Leasehold improvements	5-15 years	0%

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Other provisions**

Other provisions comprise anticipated costs reestablishment of oyster area.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.